



US Department of Labor
Employment Standards Administration
Office of Federal Contract Compliance Programs (OFCCP)

Improvements at OFCCP Produce Record Financial Recoveries for Record Number of American Workers in FY 06

\$51,525,235 Recovered for 15,273 Workers Subjected to Discrimination

The Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) enforces Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. These laws prohibit federal contractors and subcontractors from discriminating in employment based on race, gender, color, religion, national origin, disability or covered veteran status.

In Fiscal Year 2006, OFCCP recovered a **record \$51,525,235 for a record 15,273 American workers** who had been subjected to unlawful employment discrimination. Of that record recovery, 88% was collected in cases of systemic discrimination – those involving a significant number of workers or applicants subjected to discrimination because of an unlawful employment practice or policy. The \$51.5 million reflects a 14% increase over recoveries in FY 2005 and a 78% increase over FY 2001.

Fiscal Year	Financial Remedies Obtained	Workers Recompensed by OFCCP Agreement	Average Benefit per Person	Compliance Evaluations
2006	\$51,525,235	15,273	\$3,374	3,975
2005	\$45,156,462	14,761	\$3,059	2,730
2004	\$34,479,294	9,615	\$3,586	6,529
2003	\$26,220,356	14,361	\$1,825	4,698
2002	\$23,975,000	8,969	\$2,673	4,135
2001	\$28,975,000	9,093	\$3,187	4,716
Change From 2005 to 2006	14.1%	3.5%	10.3%	45.6%
Change From 2001 to 2006	77.8%	68%	5.9%	(15.7%) ¹

Initiatives at OFCCP Yield Dividends

OFCCP's initiatives of the last several years are making it a more effective and efficient civil rights enforcement agency. Compared with years past, OFCCP more quickly and accurately screens contractor establishments for indicators of potential discrimination with its Active Case Management (ACM) system. Under ACM, which was fully implemented in each of OFCCP's regions in FY 2005, the agency opens more reviews than it did in the past and the agency uses automated statistical tools to rank and prioritize establishments for further review based on the probability that discrimination would be uncovered during a full-scale review. OFCCP is using

¹ Although OFCCP completed fewer reviews in Fiscal Year 2005 and 2006 than in previous years, its Active Case Management process has effectively enabled it to better target systemic discrimination.

ACM to identify and resolve cases of systemic discrimination with greater frequency. OFCCP is monitoring a larger portion of the federal contractor universe than it has in the past and it is prioritizing its resources to addressing the worst offenders of the law. ACM is an effective mechanism for targeting systemic discrimination: In FY 2005 and 2006, OFCCP closed an average of 11.7% evaluations with a conciliation agreement, compared with 6.7% of evaluations closed with a conciliation agreement in FY 2004.

Clearer Guidance and More Enforceable Standards

Since 2001, OFCCP has enacted policy initiatives and directives to provide clearer guidance for employers and more enforceable standards for OFCCP.

Compensation Standards

In June 2006, OFCCP published in the *Federal Register* interpretive standards for evaluating compensation practices, providing contractors with the first definitive guidance on the subject ever. The standards will provide the agency a stronger basis for pursuing investigations of possible systemic compensation discrimination because of their transparency and because of their consistency with court rulings on pay discrimination law. OFCCP also conducted 31 Corporate Management Compliance Evaluations (CMCEs), also known as “Glass Ceiling” audits, in FY 2006.

Internet Applicant Rule

OFCCP also recently published a rule clarifying provisions of the recordkeeping requirements for federal contractors concerning who is an “applicant” in the context of the Internet and related electronic data technologies.

Compliance Assistance Efforts

OFCCP also continued to build upon its comprehensive compliance assistance program, conducting more than one thousand compliance assistance events in each of the last three years. OFCCP’s recently enhanced monitoring of the federal contractor universe encourages self-monitoring by contractors. Compliance assistance outreach helps employers prevent unlawful discrimination in their workplaces by providing them with the information necessary to effectively monitor their workplaces.

Strong Enforcement

A significant portion of the recoveries came from cases referred to the Office of the Solicitor (SOL) for enforcement litigation. In FY 2006, OFCCP obtained over \$15 million in financial remedies for more than 3,340 workers in cases referred to SOL. OFCCP also now involves SOL attorneys earlier in its review process and more often in conciliation meetings with contractors.

Fiscal Year	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	Change From 2001 to 2006
Financial Remedies Obtained Through SOL Enforcement	\$810,000	\$130,000	\$11,756,573	\$11,756,573	\$6,389,582	\$15,104,124	N/A ²
Referred Systemic Discrimination Cases	8	4	12	10	16	9	12.5%

² The methodology for tracking this data changed between FY 2003 and FY 2004. The pre-2004 figures do not capture the wages secured as a result of cases referred to litigation.